Kentucky Manufacturing Facts

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Manufacturers in Kentucky account for over 16 percent of the total output in the state, employing 11.8 percent of the workforce. Total output from manufacturing ranged from $23 to $29 billion for the past several years (*see figure*); it was $25.5 billion in 2009. In addition, manufacturing compensation is nearly 54 percent higher than other nonfarm employers in the state.

Manufacturing Output and Exports

Kentucky Total Manufacturing Output ($billions, 2009)	$25.5
Manufacturing's Share of Total Gross State Product (2009)	16.4%
Manufacturing Establishments in Kentucky (2009)	3,894
Manufacturing's Share of Kentucky's Exports (2010)	96%
Total Employment Related to Manufactured Exports (2008)	124,100

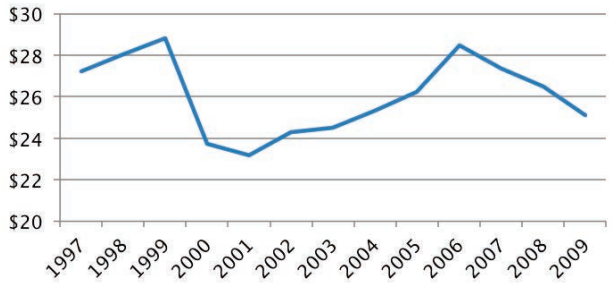
Source: U.S. Bureau of Economic Analysis

Employment and Compensation

Manufacturing Employment (2010)	209,000
Manufacturing Employment (% of Overall Nonfarm) (2010)	11.8%
Average Annual Compensation in Manufacturing (2009)	$63,540
Average Annual Compensation in Nonfarm Sectors (2009)	$40,042
Manufacturing Pay Premium (as a % of Nonfarm) (2009)	$21,498 (53.7%)

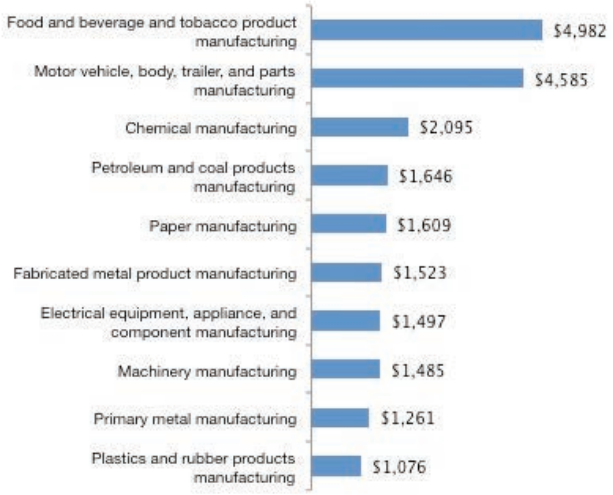
Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

Kentucky Manufacturing Output (Billions of Dollars, from 1997-2009)



Source: U.S. Bureau of Economic Analysis

Top 10 Kentucky Manufacturing Sectors (in Millions of Dollars, in 2009)



Source: U.S. Bureau of Economic Analysis

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Kentucky Benefits from Exports!

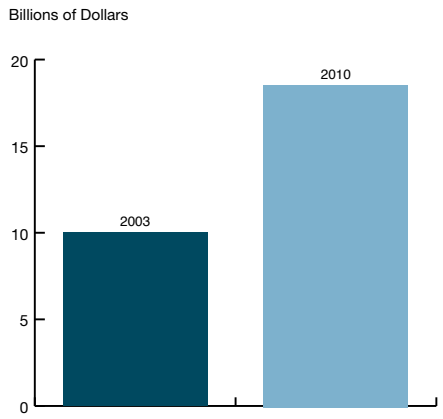
Manufactured goods exports are the strongest part of Kentucky's economy even though Kentucky and other states export only half as much of their production as the world average. America's exports and the related jobs could double if Congress passes strong pro-export legislation.

- Manufactured exports support 22 percent of Kentucky's manufacturing jobs.
- Since 2003, Kentucky manufacturing exports rose three times faster than the state's overall economy.
- 79 percent of Kentucky exporters are small businesses (2009).
- Kentucky exported $8.1 billion of manufactured goods to Free Trade Agreement (FTA) partner countries in 2010 — 44 percent of Kentucky's total.

Kentucky Trade Statistics

Manufactured Goods Exports, 2010 (billions)	$18.6
Total Jobs in all Sectors Supported by Manufactured Goods Exports	124,100
Export Share of Manufacturing Jobs	22%
2003-2010 Growth of Manufactured Goods Exports	85%

Chart 1. Kentucky's Manufactured Goods Exports



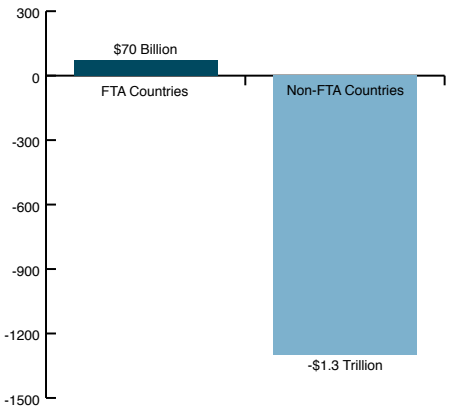
Manufactured Exports Drive Kentucky's Economy

- Manufacturing accounts for 96 percent of Kentucky's exports (2010).
- Since 2003, Kentucky manufacturing exports grew 85 percent while the national average was a 70 percent increase.
- Manufactured exports support 22 percent of Kentucky's manufacturing jobs (U.S. average is 22 percent).

Kentucky Manufacturers Are Engaged in Exporting around the World

- Top five U.S. export markets: 55 percent of Kentucky exports (2010).
- Canada (30%), UK (7%), Mexico (7%), Japan (6%) and Germany (5%).

Chart 2. U.S. Manufacturing Trade Balance (2008-2010) FTA Countries Versus Non-FTA Countries



Exporting Is Critical to Kentucky's Small Businesses

- Small businesses comprise 79 percent of Kentucky's 3,269 exporters (2009).
- Small businesses average $1,248,000 in exports per firm.
- Small businesses account for 18 percent of total state exports.

Additional Trade Facts

- Over the past three years, manufacturers in the U.S. sold $70 billion more in manufactured goods to our free trade agreement (FTA) partners than we bought from them. The United States had a manufacturing trade deficit of $1.3 trillion in countries where no FTAs existed *(see chart 2)*.
- FTA countries: Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, Singapore.
- Visit www.nam.org/statedata or www.nam.org/trade. E-mail us at trade@nam.org.

Source: U.S. Department of Commerce. Unless otherwise noted, data reflects 2008

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